



AS OF DECEMBER 31, 2009

STATE OF NEVADA

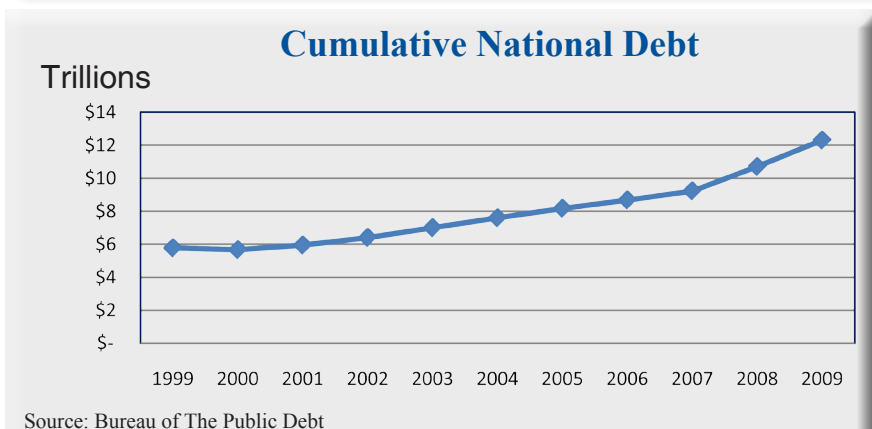
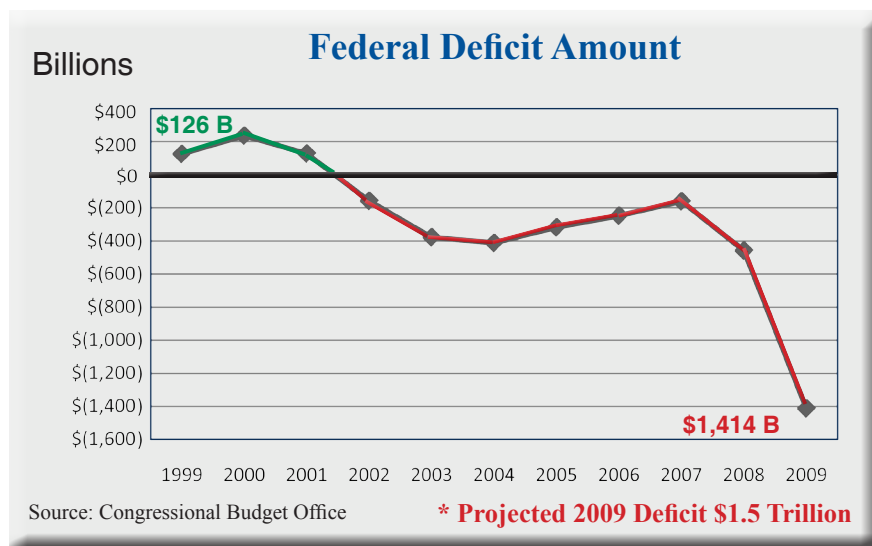
INTERGOVERNMENTAL FINANCIAL DEPENDENCY REPORT

WHAT IS THE INTERGOVERNMENTAL FINANCIAL DEPENDENCY REPORT?

Today Nevadans – and all Americans – face unprecedented fiscal challenges. This report seeks to raise awareness of the rising national debt and the financial relationship between all levels of government. With increased awareness, we can come together to create sensible, long-term solutions that transcend age, party lines and ideological divides.

The state of government finances is not good and is getting worse. We can't expect government services to continue at the established level without finding revenue to pay for those services. The federal spending level has increased more rapidly than revenues. The result has been a persistent budget deficit, ballooning national debt and increasing reliance on foreign lenders. Moreover, the direction of current federal policy points to continued increases in deficit levels until budgets can be balanced at federal, state and local government levels.

NATIONAL STATISTICS YOU SHOULD KNOW FACTS AT A GLANCE



THE FEDERAL DEFICIT A DEFINITION

The deficit is the difference between the amount of money the government spends and the amount it raises in revenues each year. If the government spends less than it collects in revenue, then it runs a surplus—the opposite of a deficit.

Over the last 40 years, the federal government's average annual spending has exceeded revenues, resulting in an average deficit of about 2.4 percent of Gross National Product (GDP). Given the federal government's stimulus and financial stabilization efforts during the recent financial crisis, deficits are projected to rise if additional revenues are not raised.

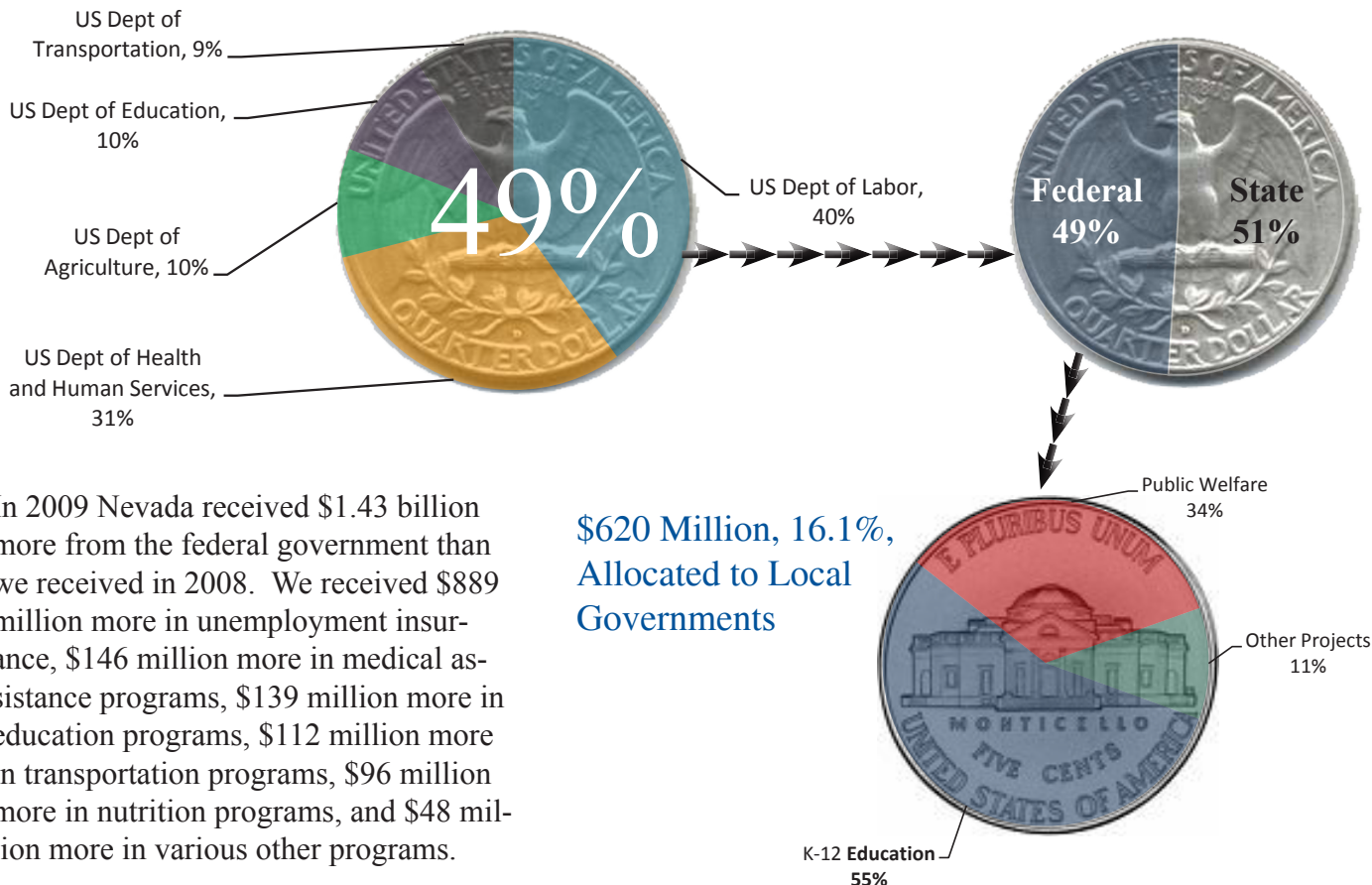
For more information about the federal financial condition and what you can do to help go to the Peter G. Peterson Foundation website at: www.pgpf.org.



To see additional information, visit: controller.nv.gov

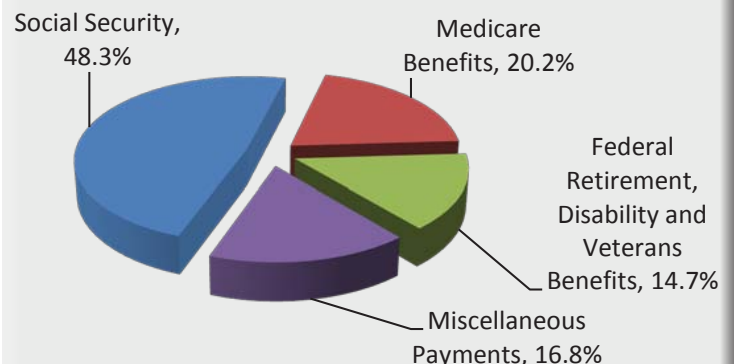
NEVADA'S DEPENDENCE ON FEDERAL DOLLARS

Nevada Received \$3.84 Billion or 49% of all its Revenue from the Federal Government



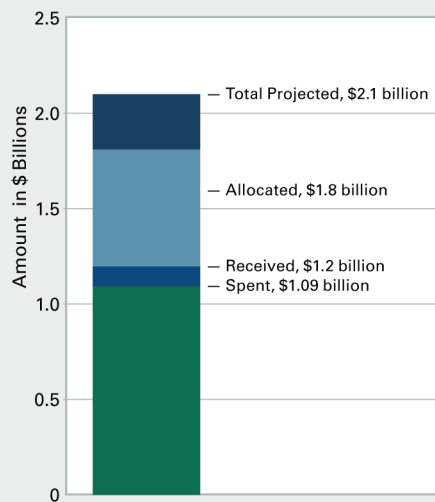
1. In 2009 Nevada received \$1.43 billion more from the federal government than we received in 2008. We received \$889 million more in unemployment insurance, \$146 million more in medical assistance programs, \$139 million more in education programs, \$112 million more in transportation programs, \$96 million more in nutrition programs, and \$48 million more in various other programs.
2. Nevada's federal grant dollars have increased 246% over the last ten years from 1999-2009.
3. The amount of the National debt held by Nevada in investments is \$6.7 billion of the \$12.3 trillion total National debt.
4. Nevada has 81 federally leased/owned buildings managed by the U.S General Services Administration.
5. Nevada has 57 military bases and facilities. Two are considered major bases, and employ 15,247 military and civilian personnel.

Individual Nevadans received \$9.8 billion in benefits from the Federal Government



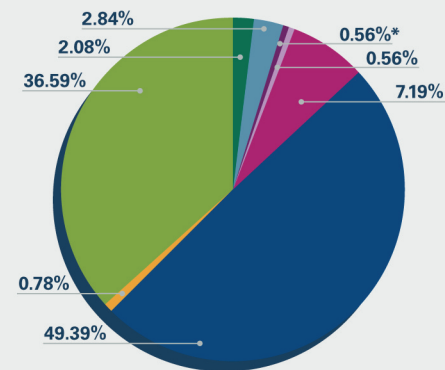
RECOVERY ACT IMPACT TO NEVADA

NEVADA RECOVERY FUNDS



As of December 31, 2009, 85% of the Recovery Act funding to Nevada was spent on education, medical assistance, and aid to the unemployed.

EXPENDITURES BY PROGRAM



Education	22,707,231
Transportation and Infrastructure	30,995,527
Public and Affordable Housing	2,310,291
Health and Wellness	3,731,040
Arts	121,185
Water and Flood Protection	6,102,599
Other Recovery Act Funds	78,347,377
Social Services and Homeless Prevention	538,265,691
Workforce Training	8,518,520
Funds to Balance Fiscal Year Budget	398,802,539
Economic Development and Energy Efficiency	-
Total	1,089,902,001

* percentages less than .5% were combined for the purposes of illustration.

Main Goals of the Recovery Act:

- 1. Create and save jobs:** 1,984 jobs were funded by the Recovery Act from October 1, 2009 through December 31, 2009.
- 2. Spur economic activity and invest in long-term growth:** 69 new transportation projects were created as of December 31, 2009.
- 3. Foster new levels of accountability and transparency in governmental spending:** New public websites, such as: controller.nv.gov/ARRA_Report.htm, recovery.gov and nv.gov/recovery.gov, report spending details.

Life after Recovery Act:

Although the State of Nevada will benefit greatly from the influx of over \$2 billion from the Recovery Act, Nevada governments, both state and local, will be faced with huge funding deficits as those dollars are depleted.



IMPROVING YOUR PERSONAL FISCAL HEALTH

WHAT CAN YOU DO AS PARENTS?

Parents should teach children about planning, saving, budgeting, investing, and using credit. There is no right or wrong age to start talking to children about money. As soon as they become interested in money, start teaching them to handle it wisely. The following are four simple lessons that will give a solid foundation for a lifetime of sound financial decisions:

1. **Learning to Handle an Allowance.**
2. **Opening a Savings Account.**
3. **Setting Financial Goals.**
4. **Becoming a Smart Consumer.**

Saving for college should be an important part of a family financial plan. The State of Nevada offers parents investment tools and pre-paid tuition programs that will help in saving for their children's education. To find out more about Nevada's college saving programs go to <https://nevadatreasurer.gov/CollegeSavings.htm>

You can find more information about planning and saving for you and your family at www.feedthepig.org and www.360financialliteracy.org/

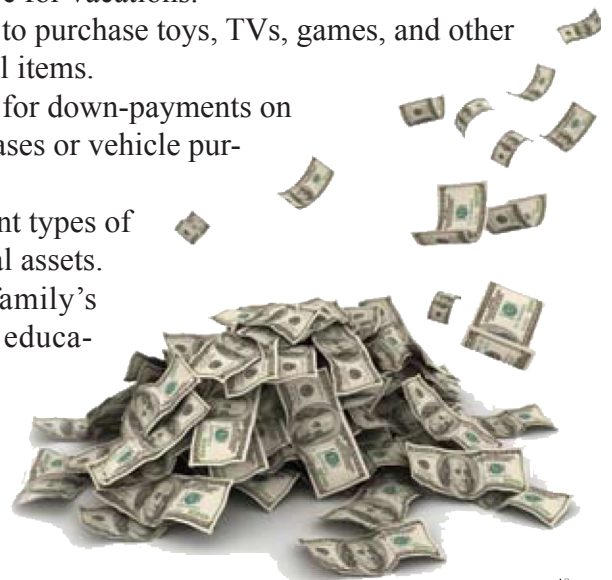
We want to hear from you! Do you believe this report should include any other information?

Please contact: Kim Wallin, State Controller at (775) 684-5632



WHAT CAN WE DO AS INDIVIDUALS?

1. Establish a personal budget and stick to it.
2. Create a financial plan and ask the following questions:
 - What are my short- and long-term personal financial objectives?
 - What major milestones do I need to prepare for (e.g., education, family, retirement)?
 - When do I see myself retiring?
 - Have I considered that for each year I delay my retirement, I can substantially increase my retirement income for the rest of my life?
3. Be more responsible in decisions to spend and use credit.
 - Use credit cards only for real emergencies.
 - Do not use credit cards for vacations, toys, TVs, games, or other non-essential items.
 - Reduce or eliminate all credit card balances.
4. Open a savings account and save for wanted or needed items.
 - Plan and save for vacations.
 - Use savings to purchase toys, TVs, games, and other non-essential items.
 - Use savings for down-payments on home purchases or vehicle purchases.
5. Invest in different types of real and financial assets.
6. Invest in your family's knowledge and education.



To see additional information, visit: controller.nv.gov